The Community Alternatives Program for Persons with Mental Retardation/ Developmental Disabilities (CAP-MR/DD) is a special Medicaid program started in 1983 to serve individuals who would otherwise require care in an intermediate care facility for people with the mental retardation/developmental disabilities (ICF/MR). It allows these individuals the opportunity to be served in the community instead of residing in an institutional or group home setting.

CAP-MR/DD operates under a Medicaid home and community-based services waiver granted by the Health Care Financing Administration (HCFA). HCFA approves the services, the number of individuals that may participate, and other aspects of the program. The participants must be at risk of institutionalization. The Medicaid cost for community care must be cost effective in comparison to the cost of ICF/MR care.

The CAP-MR/DD program is administered by the Best Practice and Community Innovations Team in the Community Policy Management Section of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Local Management Entities are responsible for operation at the local level. The Division of Medical Assistance, as the State Medicaid Agency, provides oversight in relation to Medicaid and waiver issues.